Privacy online:
Exploring consumers’ evaluation of privacy issues in relation to personalised advertisement when buying online

BACHELOR THESIS WITHIN: Business Administration
NUMBER OF CREDITS: 15 credits
PROGRAMME OF STUDY: Marketing Management

AUTHORS:
Marek Cvach
Menal Sanna Kahsay
Micaela Shamoun

JÖNKÖPING May 2018
Bachelor Thesis Business Administration

Title: Privacy online: Exploring consumers’ evaluation of privacy issues in relation to personalised advertisement when buying online

Authors: Marek Cvach, Menal Sanna Kahsay, Micaela Shamoun

Tutor: Marcus Klasson

Date: 2018-05-21

Key terms: online shopping, personalised advertisement, privacy issues, consumer behaviour online

Acknowledgement

We would like to take the opportunity to thank everyone involved in the process of creating this thesis, there were many contributors providing useful insights. To all these people we offer our sincere and hearty thanks. Firstly, we would like to express our gratitude to our supervisor, Marcus Klasson. A warm thank-you for your continuous support, inspiration, and immense knowledge. His guidance helped us to succeed in completing the vast amount of research and writing required. Secondly, we would like to thank all twelve interviewees who sacrificed their valuable time and met us in person, to talk about their experiences and reflections of personalised advertisement in connection to privacy issues when shopping online. Thirdly, we would like to thank our families and friends for their ever-lasting support throughout the thesis. Finally, we would like to express our gratitude to Jönköping International Business School for enabling us to research a topic of such interest.

This bachelor thesis is the final academic project in the Bachelor of Science in Marketing Management at Jönköping International Business School, 2018.

Jönköping, May 21st 2018

Marek Cvach
Menal Sanna Kahsay
Micaela Shamoun
Abstract

Background

The development of the Internet has changed the direction of advertising. Personalised advertising has emerged as the most effective and most profitable form of advertisement. Although personalised advertisement has been praised by many, privacy related concerns have been raised since it can be perceived as a violation of the consumer's privacy. Online shopping is another activity growing on the Internet, which also raises concerns about privacy. Therefore, we find it interesting to look on how personalised advertisement in relation to privacy issues can affect the consumer when buying online.

Purpose

The purpose of this thesis is to investigate how online shoppers respond to privacy issues and personalised advertising. The research will focus on the shoppers’ perspective of privacy issues with personalised advertising online. It will also provide companies with useful insights into customer behaviour when shopping online, with the intention of evaluating various forms of personalised advertisement and their effectiveness in order to strengthen companies’ online personalised marketing campaigns.

Method

As multiple explanations to one and the same research question are sought, the research will be conducted from an interpretivist standpoint. A qualitative research method has been chosen in the form of twelve semi-structured interviews with individuals who have been residents of Sweden for more than six months, with a wide range of ages and an equal representation of the male and female gender. The empirical findings will be analysed based on the grounded theory where common themes based on similarities will be presented.

Conclusion

It was concluded that the attitudes towards personalised advertisement, privacy issues and its effect on buying behaviour depends on where the advertisement comes from as well as from where the individual is shopping. Furthermore, it was also found that although privacy concerns were raised it did not prevent individuals from continuing to purchase online, only from what sites the purchasing was conducted.
# Table of contents

1. Introduction ............................................................................................................. 1  
   1.1 Problem discussion ......................................................................................... 2  
   1.2 Purpose ............................................................................................................. 3  
   1.3 Research question .......................................................................................... 3  
   1.4 Delimitations ................................................................................................... 3  

2. Frame of reference .................................................................................................. 5  
   2.1 Online advertisement ....................................................................................... 5  
   2.2 Personalised advertisement ............................................................................. 6  
      2.2.1 Forms of personalised advertisement online ........................................... 8  
         2.2.1.1 Banner advertising ............................................................................. 8  
         2.2.1.2 Pop-ups ............................................................................................... 9  
         2.2.1.3 Cookies ............................................................................................. 10  
         2.2.1.4 Personalised emails .......................................................................... 11  
         2.2.1.5 Social media ...................................................................................... 11  
      2.2.2 Personalisation trends ............................................................................... 12  
         2.2.2.1 Retargeting ....................................................................................... 14  
   2.3 Privacy ............................................................................................................. 15  
   2.4 Consumer behaviour online .......................................................................... 17  
      2.4.1 Hedonism and utilitarianism online ....................................................... 18  

3. Methodology .......................................................................................................... 20  
   3.1 Research purpose ............................................................................................ 20
3.2 Research strategy ........................................................................................................... 20
3.3 Research philosophy ...................................................................................................... 21
3.4 Method .................................................................................................................................. 21
3.5 Choice of respondents ..................................................................................................... 22
3.6 Semi-structured interviews ............................................................................................. 22
3.7 Data collection .................................................................................................................. 23
3.8 Data analysis ..................................................................................................................... 24
3.9 Quality of research method ............................................................................................. 25
4. Empirical data and analysis ............................................................................................... 27
4.1 Research background ...................................................................................................... 27
4.2 Interest and preferences ................................................................................................. 27
4.3 Convenience ..................................................................................................................... 29
4.4 Creepiness ....................................................................................................................... 30
4.5 Fear of coming out .......................................................................................................... 32
4.6 Overload of information ................................................................................................. 33
4.7 Acceptance ....................................................................................................................... 35
4.8 Well-established websites ............................................................................................... 37
4.9 Consumer behavioural pattern ....................................................................................... 38
5. Discussion .......................................................................................................................... 41
6. Conclusion ........................................................................................................................ 43
6.1 Managerial implications ................................................................................................. 44
6.2 Limitations and future research ....................................................................................... 45
Reference list ..........................................................................................................................47

Appendices............................................................................................................................56

Appendix 1: Framework of intrusiveness from customized advertisement .........................56

Appendix 2: Interview guide ................................................................................................57

Section 1: The information about our study ..........................................................................57
Section 2: About the interviewee ..........................................................................................57
Section 3: Shopping online ....................................................................................................57
Section 4: Personalised advertisement ................................................................................57
Section 5: Privacy ..................................................................................................................58
Section 6: Scenarios ..............................................................................................................59

Scenario 1: Personalised email .............................................................................................59
Scenario 2: Banner ad ..........................................................................................................60
Scenario 3: Banner ad (direct purchase button) ..................................................................60
Scenario 4: Website remembering personal data ..................................................................61
Scenario 5: Pop-ups ..............................................................................................................61
Scenario 6: Recommended products ....................................................................................62
Scenario 7: Cookies .............................................................................................................62

Section 7: Reflections ..........................................................................................................63

Appendix 3: Interviewees ......................................................................................................64

Appendix 4: Interviewees and their behavioural patterns ....................................................66
1. Introduction

The introduction will introduce the reader to an overview of the research behind privacy issues and personalisation while shopping online. Moreover, problem discussion, purpose, research question and delimitations of this study will be presented in order to understand the following research and strategies behind it.

Since the 2000’s, there has been a transformation of marketing within the fields of digital media, social media and mobile marketing, as witnessed by marketing academics and practitioners (Lamberton & Stephen, 2016). Lamberton and Stephen (2016) argue that digital marketing has evolved to such an extent that it is now simply considered marketing; all marketing activities within a company include a digital aspect. Together with the development of the Internet, the advertising industry has changed greatly, with the capability to target customers on an individual basis. In the early years of the Internet, advertising followed a one-size-fits-all strategy. However, with time and development, user’s browsing behaviour could be tracked which resulted in more personalised advertisement (Estrada-Jiménez, Parra-Arnaud, Rodríguez-Hoyos & Forné, 2017).

According to Estrada-Jiménez et. al (2017), personalised advertisement online is praised as being the most effective, leading to the most profitable form of advertisement. Researchers also state that the conversion rates from personalised advertisement are far greater than that of untargeted advertisement. Tucker (2014) takes this further, suggesting that consumers might have a positive perception towards personalised advertisement since it is more appealing and connected to their interests and preferences. However, he concedes customised adverts have a potential negative impact should the customer perceive it to violate their privacy (Tucker, 2014).

Lee and Cranage (2011) argue that privacy concerns are triggered by personalised advertisement, as it requires the collection of personal information in order to be tailored. The reason why negative attitudes exist in relation to personalisation - although in many aspects appreciated by consumers - is due to the customers suspicion that their personal information is being collected and used without their knowledge (Lee & Cranage, 2011). Most advertisement that is provided online is encouraging the individual to purchase something, especially when a customer clicks on the advertisement, he/she is directly sent towards the desired webpage.
Lim, Osman, Salahuddin, Romle and Abdullah (2016) see online shopping as a rapidly growing activity. Furthermore, Mosteller, Donthu and Eroglu (2014) add that since the development of the computer, consumers have quickly adapted to the use of Internet-accessible devices, such as tablets and smartphones. The importance of understanding how information provided online affect consumers when shopping online is further highlighted by Mosteller et al. (2014), who state that for firms the biggest challenge lies in providing enough information to attract consumers without overloading them with unnecessary information.

1.1 Problem discussion

Concerns have been raised about the intrusiveness of practices and the increasing invasiveness of digital advertising (Estrada-Jiménez et al., 2017). Although personalised advertisement has been praised by researchers in the past, negative aspects, such as privacy issues, have been raised more recently. Researchers such as Lee and Cranage (2011), Tucker (2014) and Estrada-Jiménez et al. (2017) discuss the idea that consumers may feel insecure about disclosing their personal data online and that there is a need for secure online environments. Due to the recent evolution of personalised advertisement within the online environment, researchers have identified the need to further explore the data in relation to privacy issues online, to understand how the consumers are affected in their online shopping.

Privacy issues online in connection with personalised advertising and online shopping are a complex and changing phenomena that requires up-to-date research and investigation into the connection between these three topics. Estrada-Jiménez et al., 2017; Lee & Cranage, 2011; Lim et al., 2016; Tucker, 2014, all mention how businesses and consumers benefit from personalised advertisement, as well as how the consumers experience can be one of intrusion on their privacy. Benefits with personalised advertisement, raised by van Doorn and Hoekstra (2013), show that the advantages are many and work in favour of the customer. A few examples are that it provides greater relevance and fit for the customer, offers the right product or service at the right moment and a more efficient search process where it minimises the effort a customer has to put in (van Doorn & Hoekstra, 2013). Van Doorn and Hoekstra (2013) continues by highlighting, that although the benefits of personalised advertisement are great, privacy issues might be greater as it raises feelings of intrusiveness on one’s personal information. Although privacy issues have been raised earlier, this research is conducted with the aim of going into more detail and understanding what effect these privacy issues have on
the online behaviour of consumers. Together with the growth of the Internet, online shopping activities are rapidly growing as expressed by Lim et al. (2016), which is why it is of high importance to study the effects privacy issues has on customers online behaviour in relation to personalised advertisement. Personalised advertisement is a new and modern way of advertising and although privacy issues already exists online, not enough research focuses on where these privacy issues lead to.

1.2 Purpose

The purpose of this research is to investigate how online shoppers respond to privacy issues in relation to personalised advertising. This study will focus on the consumers' perspectives of privacy issues with personalised advertising online. The researchers seek to understand how privacy issues are evaluated by consumers and how it can affect their behaviour in an online environment. Moreover, the aim is to provide companies with insights into how consumers respond and behave online whilst shopping. With that said, evaluation of various forms of personalised advertisement can strengthen companies' online presence and help them to create even more effective personalised marketing campaigns.

1.3 Research question

In order to answer the purpose of this thesis and investigate how online shoppers respond to privacy issues in relation to personalised advertising the following overarching research question has been constructed:

*How do consumers respond to privacy issues in relation to personalised advertisement when shopping online?*

1.4 Delimitations

To comprehend this issue, a great depth of insight is needed, especially through a wide range of angles and perspectives. This is therefore the main reason why this study was conducted with semi-structured interviews together with a qualitative approach. The behaviour of consumers shopping online in relation to privacy issues and personalised advertisement in various scenarios will be studied using interviews with consumers. Therefore, the researchers
cannot claim to know how the interviewees regularly act in real life, nor whether the responses regarding personalised advertisements differ from reality.

It was essential for the researchers to limit the range of data collection. This is because the presented paper is offering a brief and not detailed understanding. Since the selected population for the research has been citizens in Jönköping, Sweden, and consists of a small sample, international researchers and perhaps multinational companies might find the scope of research too niche and not applicable to their field of study.

The provided overview mainly aims to introduce the reader to various concepts in order to understand the whole perspective of the study. The researchers have not focused on any specific category of advertising industry within online advertisement, such as cosmetics or clothing, to avoid potential discussion with emphasis on those fields. The objective is to understand generally how the online shoppers evaluate privacy issues in relation to personalised advertisement. Moreover, the authors are not specifying the type of device, such as iOS, Android, or computer, on which the interviewees have come across these phenomena. For the reason that the perception of the advertisements, in general, is of interest for the researcher, without additional specification where they came across it.
2. Frame of reference

In the following chapter, the researchers will introduce the reader to concepts of personalised advertisement, privacy issues and consumer behaviour online. The first section will follow the development of online advertisement followed by a description of various personalised advertisement techniques. Furthermore, an overview of privacy issues online will be provided and lastly, the focus will be on consumer behaviour online.

2.1 Online advertisement

To understand online advertising, we must first trace the concept’s origin. Stanton (1984) define it as an audio or visual form of marketing communication that employs an openly sponsored, non-personal message to promote or sell a product, service or idea. Tungate (2013) mentions that we can trace its beginning back to the ancient civilizations, for instance the Romans, where early examples of advertising were found in the ruins of Pompeii. The industry has since been affected by the invention of printing and the boom of digitisation. The rise of the Internet has completely changed the way companies advertise (Lamberton & Stephen, 2016). Consumers are receiving commercial messages through newly established channels, such as social media, email clients, or video streaming services. Since offline advertising is on the decline, companies must refocus their campaign spending and adapt to this new change. In particular, the shopping industry has been forced to react to this change. A study conducted in the U.S. by UPS and comScore in 2016 showed that 51% of purchases from all respondents were done online (Dreyer, 2016). It clearly demonstrates that customer's focus is moving towards purchasing online and firms should follow this trend.

Anderson (2012) thus mentions that the Internet provides a perfect platform for firms to advertise in new and innovative ways, such as targeted advertising and monitoring potential consumers’ behaviour. According to Breuer, Brettel & Engelen (2011), online advertising was initially opened with simple banners, that later evolved to new advertising models and online channels with enhanced customer and advertiser interaction. These additional forms of displayed advertisement widely used are by Palmer (2005) pop-ups, which are separate windows automatically appearing while a person is browsing. However, research by McCoy, Evard, Polak and Galletta (2007) has proven that these are even more intrusive than normal banner advertisements and lower a customer's intentions to revisit the site.
When it comes to the definition of online advertising, Ha (2008) sees it as deliberate messages placed on third-party web sites including search engines and directories available through Internet access. However, this definition limits the scope of other forms of marketing communication. Kim, Kwoon and Chang (2011) built upon this and added that online advertising is used for the direct purpose of distributing promotional messages to attract customers. Since this type of promotion is becoming more and more customer-centric, it is essential for the advertisers to be aware of their customer’s mind set when purchasing online.

2.2 Personalised advertisement

Message A:

“Dear Jane Doe: We thought you might be interested in joining others in Alaska, who have joined our new Scone-of-the-Month club.”

Message B:

“Dear Jane Doe: As a baker and chocolate lover, we thought you might be interested in joining others in Anchorage, Alaska, who have joined our new Scone-of-the-Month club.”
(White et al., 2007, p. 40).

The second message highlights and shows how companies today can personalise their promotional messages by gathering vital consumer data. The term personalisation, or one-to-one advertisement, referred to by White et al. (2007) as the customised flow of communication that sends different recipients promotional messages tailored to their individual preferences. They further elaborate that technology enables organisations to evaluate and use personal data such as demographics, psychographic or purchase history to customise the message to the customer. For instance, the two large companies, Visa and MasterCard, discovered this opportunity and had plans to customise their advertisement by gathering information about their consumers shopping behaviour. However, this induced concerned reactions (Steel, 2011).

According to Fill (2009), the number of Internet users has significantly increased, and companies are taking advantage of this growth. Mass marketing is not as common and relevant as businesses are forced to communicate with their customers on a more personal
level. On the other hand, Fill (2009) recognises there is a dark side to personalised advertising. Customers may find that their personal data is used for the wrong purpose and that their privacy is violated. Therefore, personalised advertisement can be seen as a sensitive area and can be harmful for the company’s brand (Fill, 2009).

Evolved technologies benefit both consumers and businesses today. Companies are able to measure the success of their marketing campaigns. By evaluating, collecting and tracking their customers actions online, they can better adjust their marketing strategies. Looking from a consumer perspective, personalised advertisement can be considered as convenient and time-saving. A study regarding the online personal experience conducted by Janrain (2013) shows that 74% of online buyers are unsatisfied when advertising is not related to their interests or preferences. 57% of the respondents are happy to provide personal data on a website if it is used for their benefit and in a responsible way. These results show the essentialness of personalised advertisements and how companies can improve their consumers online experience.

Furthermore, van Doorn and Hoekstra (2013) developed a conceptual model with the focus to analyse the intrusiveness of customised advertisement and how the consumer’s purchase intention can be influenced by this. It is expected that the level of intrusion felt by the consumer will coincide with the degree of customisation in the advertisement. This will consist of two different components: fit of the offer and personalisation. White et al. (2007) refer to personalisation as the customised flow of communication that sends different recipients promotional messages tailored to their individual preferences based on personal data such as demographics, psychographic or purchase history. Van Doorn and Hoekstra (2013) further explain that the personalised advertisement can have a positive impact on the consumer as it can enhance the feeling of the purchase and increase the intention to purchase. This can be supported by Franke, Keinz and Steger (2009) who also indicate that customised offers can provide a high fit together with the customers preferences and increase the purchase intention. On the contrary, the fact that the online provider has used personal information can lead to loss of control and higher intrusiveness, which can have a negative impact on the purchase intentions (van Doorn & Hoekstra, 2013).

The research framework by van Doorn and Hoekstra (2013) can be applied to this study as the intrusiveness clearly shows its impact on the consumers and their purchase intentions. As noticed, when a consumer receives customised advertisement, the intrusiveness can either be
increased or decreased. When the privacy concerns are low, the perceived intrusiveness will have less of a reaction and potentially lead to a purchase. The higher privacy concerns are, the greater the consumer will perceive the intrusiveness which can negatively impact on the customised advertisement (van Doorn & Hoekstra, 2013).

![Figure 1: Framework of intrusiveness from customized ads. Source: Van Doorn and Hoekstra (2013).]

**2.2.1 Forms of personalised advertisement online**

Personal contact with the consumers makes them feel unique and valued. This is why it is becoming an interesting tool for businesses to personally communicate with their consumers. The communication can be done by sending personalised emails, use banner advertisements and pop-ups online by accepting cookies. These different approaches will be further explained.

**2.2.1.1 Banner advertising**

The first banner advertisement emerged in 1994 and ever since then, the Internet industry has experienced outstanding growth (Robinson, Wysocka & Hand, 2007). Koberg and Booth (2012) define banner advertising as an image advertisement, most often of rectangular shape, with a universal acceptance. They further state that these types of advertisements usually appear on top of the page and typically include a hyperlink, that links the user to another website. When it comes to the optimal size for a banner, Manchanda, Dubé, Goh and Chintagunta (2006) mention the size of 480 x 60 px with a combination of graphic and textual content.
Despite the fact that banner advertising is a long-lasting global phenomenon, its effectiveness is debatable. A global study on perception of banner advertising, which has been conducted by Möller and Eisend (2010), provided an interesting insight into the influence of national-level cultural and sociodemographic variables on banner advertising online. Their findings suggest that the effectiveness of banner advertising in terms of consumers’ responsiveness depends on national-level cultural variables. Consumers from individualistic societies, such as from Sweden, appreciate the banners less and are therefore less likely to click on them.

Furthermore, the avoidance factor is interestingly a big concern for companies trying to target their main audience. Benway (1999) is looking into a term of “banner blindness”, which is commonly used to demonstrate the negative aspects of the Internet advertisement. This term describes consumers’ tendency to avoid looking at anything that might look like banner advertising. Cho and Cheon (2004) tested how perceptive people were to online banner advertisements and their conclusions suggest people will avoid these forms of advertising due to them being perceived as clutter. Moreover, prior negative experience and distraction from the main content of the website are also among the reasons people avoid this form of advertising.

### 2.2.1.2 Pop-ups

Pop-up advertisement is described by Rouse (2005) as a pop-up window initiated by a user action (i.e. the click of a mouse), that contains an offer for some product or service. Usually, it appears in the foreground of the visual interface (Rouse, 2005). This idea has been developed by Ethan Zuckerman (2014), who considers it an approach to associate advertisement with a user’s page without putting it directly on the page. Based on advertisers’ thoughts, website visitors might have otherwise implied an association between their brand and the page’s content (Zuckerman, 2014).

A study by Bahr and Ford (2011) determines that the average user reacts to pop-ups usually with mild irritation but ranging up to vocal annoyance. Based on their findings, it does not matter how big the pop-up is, or when it shows, rather it is simply the pop itself that is reported to be highly annoying, without any reference to its conditions.
2.2.1.3 Cookies

Millett, Friedman and Felten (2001) define cookies as a small string of text, usually no more than an ID number, that is sent by a web server to a browser. According to them, the text is then stored by that exact browser, typically on the user's hard drive, and sent back to a web server at a later time. Therefore, such cookies are recording and tracking the user’s actions. Due to the fact that cookies are a new and evolving subject, academic research is limited. With that said, the most suitable explanation of cookies comes from All About Cookies (2018a). They explain that when a user visits a site, and agree on the cookies terms and conditions, the user’s browser actions will be stored by the owner in order to keep track of the information. For instance, the different pages they visited, in which order and the time spent on every site, etc. It is a way to ease the process for the users when re-visiting the site, as they do not have to identify themselves, and declare their information or preferences again, which increases the user’s convenience (All About Cookies, 2018a). Millett et al. (2001) however, discuss the impact of cookies as a privacy issue, as the users have neither been adequately informed about what cookies are, or how their personal information will be used, this therefore being without the users' knowledge and ability to decline.

The website, All About Cookies (2018b) also defines two different types of cookies; session cookies and persistent cookies. First mentioned, session cookies, are primarily used by online shops. They enable the website to keep track of the user’s movement and recognise the user. This benefits the user as the same information will not be asked again since it is already stored. When consumers are shopping online, the online shops use session cookies to keep items in the consumers baskets. Without these cookies, the user would have had an empty basket when checking out, as the web owner could not be able to recognise the users past actions (All About Cookies, 2018b). On the other hand, persistent cookies are used to remember the information, such as login details and passwords, when re-visiting the site. When logging in, you do not need to provide the same information every time you visit the site. This is both convenient and time-efficient. The cookies also keep track of the user’s preferences, such as language and theme selection. For example, if the user visits a site and chooses the content in Spanish, the web browser will ensure the content is provided in Spanish next time (All About Cookies, 2018c).
2.2.1.4 Personalised emails

Email is still the most universal and omnipresent form of communication, which is estimated by a technology research firm The Radicati Group (2017) to be used by 3.82 billion users with approximately 281.1 billion emails sent daily. Companies are using emails for communication with individuals with some of them including a personalisation option, which consists of incorporating the receiver’s name and other personal information.

Currently, there are various options for successful personalisation of emails. For instance, companies might use professional email marketing tools, such as Campaign Monitor. They can personalise emails by name, subject line, but also target it directly to a specific audience, re-engage with past visitors, or recommend products that the customer has seen in the past. Data is usually gathered from subscription forms on the website, CRM integration, third-party apps, or cookies (Wildt, 2018).

Sutton (2013) studied the effectiveness of email personalisation on Doggyloot, a special website, which contains flash sales that can help dog owners to spoil their pets. Doggyloot target the dogs directly, for instance wishing them a happy birthday, and in turn takes the focus away from the actual user. The results show a 28.1% open rate and a 750% higher click through rate than other teams. This research supports the fact that personalised advertisement works in personalised emails. Fill (2009) also argues that by personalisation, companies can enhance the customer relationship. However, personalisation of emails might also possess privacy issues. For instance, Gillies (2016) mentions that emails can be hacked and hackers could therefore access sensitive information. Gao (2016) further address the issue with consumers concerns about the usage of their private information and that, when used incorrectly, it can lead to abandonment from email recipients.

2.2.1.5 Social media

Kaplan and Haenlein (2010) define social media as a group of applications based online, which are built upon an ideology and technology of Web 2.0 and allow the creation and exchange of user-generated content. As of January 2018, Facebook has been the biggest social media network site with 2.2 billion active monthly users, followed by YouTube (1.5 billion active monthly users) and WhatsApp (1.3 billion active monthly users) (Statista, 2018). Social media is not just messaging, it is also about sharing various contents, such as
photos or videos, in an online environment (Drury, 2008). Kaplan and Haenlein (2010) further categorise social media based on the levels of self-presentation and social presence. High self-presented social media include blogs, social networking sites and virtual social worlds. Low self-presented social media contain collaborative projects, content communities and virtual game worlds.

When taking the focus onto social networking sites, Beal (2018) describes them as websites where users are able to create public profiles and form relationships. These sites can be community based, online discussion forums, or chat rooms. Vuori (2012) continues by mentioning that companies are usually using social media externally to improve communications related to their brand, have a dialogue with consumers, and overall, to build supporting communities for their brand. One of the issues of social networks, as seen by Pierson and Heyman (2011), is with the use of cookies. They are tracking behaviour of network’s users and despite their positive aspects, such as enhancing the users’ experience, they can also make unclear what exactly is gathered on the user (Pierson & Heyman, 2011).

Currently, social networks are questioned by many due to their privacy concerns. Brookshire (2017) states that it is not just up to the individual to keep the information private, but in most instances, also its friends. In April 2018, Facebook came under scrutiny for personal information of almost 87 million users being inappropriately shared with Cambridge Analytical, a political consultancy group (Ingram, 2018). A follow up study by Milanesi (2018) using a sample of 1000 respondents found that 28% of users never trusted Facebook in the first place and as a response to the information sharing: 17% deleted the app from their mobile phone, and 9% deleted their account altogether. All in all, especially considering the latest scandal, social networking sites stand in front of the privacy challenge that might change yet again how we communicate online.

2.2.2 Personalisation trends

The increasing and widespread trend of personalisation in technology is resulting in an equal trend of privacy issues within the industry. According to Toch, Wang and Cranor (2012), the constant socialisation of the Web results in constant gathering of user’s information with a goal to personalise the advertisement, search results and other content. Researchers subdivide these trends into three categories: social-based personalisation, behavioural profiling, and the location-based personalisation. The first mentioned covers the rise and popularity of various
social networks, i.e. Facebook, Instagram and Twitter. Since the networks have access to a plethora of user information, such as real name, location, personal photos and connection, they are able to target the advertising directly and provide content suited to each customer.

The network structure makes it easy for users to share this valuable data and make the personalisation, with regard to the improved algorithms, more accurate and powerful (Toch et al., 2012).

Secondly, behavioural profiling is defined as the practice of collecting data on the activities of users while tailoring their experience. Recently, it has become vital within online advertising and e-commerce to create profiles based on browsing behaviour including number of sites visited, or products purchased. Since the tracking of users takes place over a long period of time, using for instance browser cookies can pose various privacy risks. These are, among others, unsolicited marketing, invisibility of data collection to users, and the risk of data being shared with a 3rd party (Toch et al., 2012).

The third and last trend is the location based-personalisation. With the constant growth of GPS-enabled phones and Wi-Fi positioning technologies, service providers are able to uninterruptedly track the location of their users and provide them with services nearby (Toch et al., 2012). This was identified by researchers as used by mobile advertising services, e.g. Google AdWords for Mobile or Apple iAd. Various mobile app developers are also implementing these services – i.e. Foursquare, an app for local food suggestions or Tinder, a dating app which connects you with people nearby. Lee and Cranage (2011) conducted a study where they examined how undergraduate students react to different personalisation services and privacy assurance descriptions at an online travel website, which has been presented to students differently. Their findings suggested that customers find additional services useful when they have a high level of both privacy assurance and personalisation. The presence of personalised services did not surprisingly affect customer privacy concerns. One could argue that consumers may perceive the personalisation of travel websites less invasive of their privacy. Finally, when the customers are assured about privacy practices, i.e. with privacy assurance statements or security symbols, they are more likely to share personal information and use personalised services.
2.2.2.1 Retargeting

Lambrecht and Tucker (2013) see with modernisation of individual data behaviour an opportunity for companies to offer product recommendations in real time to consumers who return to their websites, often with an emphasis on the exact product the customer has been looking at before leaving the website. They agree that there is still a vast majority of customers that abandon the website and do not return. To reach them, retargeting advertising in connection with cookies makes it possible to include, for instance, a picture of an abandoned product all over the Internet and influence the consumer to return to the website (Lambrecht & Tucker, 2013).

Retargeting is by Lambrecht and Tucker (2013) implemented in four steps: product exposure, targeting consumers, advertisement design, and purchase. Firstly, when the consumer visits the website and views a product, the browser downloads a pixel tag. This can be a 1 x 1 pixel sized image, which is implemented into the browser cookies and becomes part of the individual user profile, managed by the advertiser’s networks. Secondly, to specifically target a consumer, companies will present adverts based on information gained through collected data, enabling targeted promotional offers from within its network. Thirdly, there might be two different types of advertisement shown to a customer. Generic retargeting involves the use of the individual cookie profile to identify people who have visited the firm’s website and show them generic advertisements for the local firm. If there is a dynamic retargeting, the advertisement network chooses the previously viewed product by a consumer and sometimes other similar products that he/she might be interested in. Finally, if the consumer returns and purchases from the website, this action is recorded inside the advertisement network and retargeting will usually stop (Lambrecht & Tucker, 2013).

Bleier and Eisenbeiss (2015) have conducted a field experiment on click-through effectiveness of different degrees of content personalisation (DCP). They have subdivided DCP into three categories. High DCP banner includes products and brands from a consumer’s most viewed products during the most recent shopping session. Medium DCP has been segmented into banners with either brands or categories. Their experiment concluded that personalisation can efficiently enhance click-through, but its effectiveness declines through the stages of the purchase decision process. When the consumer just has left the store, highly personalised advertisement is the most effective, but also tends to lose effectiveness more quickly. Interestingly, findings by Bleier and Eisenbeiss (2015) state that high DCP
advertisements performs the best in the post-purchase state. This might be due to the fact that the consumers are more curious to see the product in the advertisement (Bleier & Eisenbeiss, 2015).

2.3 Privacy

Since the emergence of technology and the growth of the Internet, many researchers have conducted studies concerning privacy related issues (Pavlou, 2011; Lee & Cranage, 2011; Bélanger, Hiller & Smith, 2002). The concept of privacy is defined by Westin (1967) as the claim of individuals, groups or institutions to determine for themselves when, how, and to what extent personal information is communicated to others. Another definition, provided by Bélanger et al. (2002), states that it is the willingness of the consumers to share personal information over the Internet. Pavlou (2011) also adds that the use of the Internet gives companies the permission to easily collect, store, process and utilise personal information, which contributes to the growth in privacy concerns. All definitions explain that the decision of sharing personal information should be completely up to the individual. However, as further stated by Bélanger et al. (2002), it is obvious that the privacy concerns individuals express over their personal information effects the market for electronic commerce and for it to reach its full potential, people's concerns must be addressed. According to Ham (2016) not many people are aware of how personalised advertisement actually work and how the tailored promotional messages are delivered, which makes it a greater risk to consumer privacy. Privacy issues has its roots in the fact that firms have to collect a great amount of consumer data in order to deliver personalised advertisement. Although personalisation is appreciated by consumers it also raises concerns regarding their personal information being collected and tracked without their knowledge (Lee & Cranage, 2011).

Hong and Thong (2013) state that privacy is one of the most important ethical, legal, social and political issue of the information age. In order to more deeply understand the growing importance of privacy issues, researchers have identified different dimensions of fear consumers might experience online. Six dimensions are discussed by Hong and Thong (2013) concerning online privacy. These dimensions are based on previous studies, with clearer definitions and understandings. The six dimensions are: collection, secondary use, errors, improper access, control and awareness. Each of them refers to a fear that an individual might
perceive when engaging in online activities related to privacy concerns (Hong & Thong, 2013).

The first dimension, collection, is defined as specific data being possessed by websites and to what degree individuals worry about this. Secondary usage is the degree to which an individual is concerned about personal information provided to a website, and how it will be used for another purpose than it was originally intended. Error is the third dimension and is the degree to which individuals are concerned about the protection against intentional and unintentional errors in personal data collected by websites being insufficient. Improper access is about the concern of personal data being available to the public who are not considered properly authorised to view or work with the information. Control is an individual being concerned about not having adequate control over their own personal information, and lastly is the dimension of awareness, which is the concern of an individual’s awareness of information privacy practices by websites (Hong & Thong, 2013). These six dimensions are related to fears individuals might experience however, Son and Kim (2008) further discuss ways consumers take their fears and act upon them.

There are many ways consumers can react when they feel their privacy is being violated. Son and Kim (2008) identify these as information privacy-protective responses (IPPR) and further define it as Internet users’ behavioural responses to their perception of information privacy threats, as a result of the way companies collect information. IPPR introduces three different ways a consumer might react to information privacy threats, which are, information provision, private action and public action. Information provision is related to when consumers are required to provide personal information for access and use, and for when these individuals can choose to either refuse or provide falsified information. These two actions are considered two of the main ways that Internet users protect their information privacy. The second way of reacting to the violation of one’s privacy is through private action. When information privacy is being threatened, which might occur when individuals lose control over websites collecting their personal data, they either remove themselves from online company’s databases or through negative word-of-mouth. Lastly, there is the choice of public action. With public actions there is a primary goal of receiving remedy for the complaint. Therefore, a customer may either complain directly to the company or indirectly to a third-party organization (Son & Kim, 2008).
It can be seen that personalisation trends are changing the way users are using the Internet. As mentioned previously, various forms of personalised advertisement online are emerging and some of them, such as cookies, might be intrusive to the user from a privacy point of view. The same could be seen with personalised emails, where campaigns like Dooggyloot researched by Sutton (2013) has been seen as a great example of non-intrusiveness.

2.4 Consumer behaviour online

“Consumer behaviour involves the thoughts and feelings people experience and the actions they perform in the consumption processes.” (Peter & Olson, 2008, p.5)

In today’s competitive market, companies must study how each customer respond and act in an online environment as every customer’s behaviour is unique and constantly changing (Szmigin, 2003). Peter and Olson (2008) state that by understanding the differences of each customer, organisations will better understand their purchasing behaviour. Researchers further explain that the advantage of the Internet allows companies to benefit from this innovation and better establish one-on-one relationships with customers as well as consumer databases.

Hannah and Lybecker (2010) recognise that customers' purchasing behaviours vary due to a various range of characteristics, such as age, income, education, demographic and ethnicity. Their study shows that males, college educated, as well as the young population, are willing and tend to buy from an unknown or new e-retailer; whilst females, the older population, and less educated people, are more risk-averse and tend to purchase from familiar e-retailers when buying online. Moreover, their results label the income level as a major factor to a customer purchasing online. The higher the income is, the more likely the customer will spend and buy online. Additionally, consumers living in rural areas tend to shop online more than consumers living in urban areas. One could argue the reason is due to low accessibility and limited choices for one living in rural areas. By knowing the differences of each customer, companies can better understand and adjust their marketing strategies (Hannah & Lybecker, 2010).

Close (2012) acknowledges that the effect of the World Wide Web has made it possible for customers to purchase goods and services online anytime and anywhere and are more likely to share personal information in multiple sources. Businesses can collect and store consumer data to better meet the needs and wants of the customers. She also implies that the companies must rethink how to study consumer behaviour. Furthermore, her findings suggest that social
media has enabled consumers to share their experiences which can influence other consumers decisions (Close, 2012). Therefore, companies must be careful how they use personal information as it can be seen as a sensitive area. Because if a customer finds their personal data being used for the wrong purpose, this can harm the company and its brand (Fill, 2009).

2.4.1 Hedonism and utilitarianism online

The different personalities of consumers can be a possible factor that influences how consumers approach shopping online. Hedonism and utilitarianism are two essential inclinations of consumers purchasing behaviour online, it is said by many researchers (Wang, Minor & Wei, 2011; Bui & Kemp, 2013). Although these inclinations are evident offline too, most research has focused on consumer behaviour online. As the aim of this study is to investigate how consumers purchase online when receiving personalised advertisement in relation to privacy issues, the researchers believe the two different approaches can influence the consumers perception of personalised advertisement and intrusiveness.

The aesthetics and atmospherics of a website are what hedonic shoppers favour. These shoppers are interested in the gratification and not efficiency of a website. With that said, the hedonic shopper wants the shopping experience to be appealing and enjoyable, and not only an efficient website to continue the online navigation. He/she could also be described as a person that is ‘experimental’ as the shopping is related to curiosity, fantasy, fun and escapism. The user’s gratification from the shopping experience has an essential influence on the consumers behaviour online (Wang et al., 2011; Bui & Kemp, 2013). An example by Clarke and Flaherty (2005) states that the website Landsend.com attracted approximately 15 million visitors by personalising the site to the user, which resulted in a double sale.

Opposingly, there are utilitarian shoppers. Scarpi (2012) explains that for them, the gratification of the shopping experience is not an essential aspect, and the focus is instead task-oriented. From a utilitarian shoppers’ point of view, the important driver when shopping online is that the experience is convenient and time-saving. The website should be easy to navigate, have a clear layout, and personal information stored to ease the purchase process. This is considered as a useful and convenient way of shopping for the utilitarian buyers (Scarpi, 2012). However, it is shown in research by Wang et al. (2011) and Scarpi (2012) that hedonic shoppers are more profitable than the utilitarian shoppers, and that one possible
reason is that several websites have different levels of hedonic stimulations to cater to
different browsers.

The differences between these two types of shoppers are that hedonic shoppers are more
likely to browse, are more frequent online shoppers, and tend to purchase less expensive
products or services, although at a higher quantity. Whilst the utilitarian shoppers tend to buy
more expensive goods or services but, less frequently, and are less likely to browse, as the
purchase process will take longer and therefore delay completion (Wang et al., 2011; Scarpi,
2012). Scarpi (2012) continues with stating that although we can recognise these differences
in purchasing habits, there is a similarity in that both orientations show themselves to be price
conscious, one opting for low cost products, the other for less frequent purchases. Moreover,
the technology expertise online is the same level and thus, cannot be considered as a
differentiating factor.
3. Methodology

In the following section, the researchers will introduce the chosen method for collection of primary data. The chapter will begin with a repetition of the research purpose followed by the chosen research strategy, research philosophy, the chosen method, data analysis and finishing with quality of the research method.

3.1 Research purpose

The purpose of this research is to investigate how personalised advertisement and the related privacy issues affect consumer’s behaviour when shopping online. As digital advertisement has developed intensively over the years and personalisation with it, privacy has become a recurrent issue for consumers when engaging in online activities. Moreover, shopping is moving more and more from being conducted in a physical environment to a virtual environment, which further propose related privacy issues. With the growth of personalisation, we need to know, not only the positive aspects, but also the negative aspects of it which is mostly related to privacy issues when engaging in online shopping.

3.2 Research strategy

As the purpose of this research is to explore the attitudes and opinions leading to behaviour of consumers, the inductive approach has been implemented in order to draw conclusions. With the use of the inductive approach, it enables the researchers to gather, analyse and find patterns from the data collected (Gray, 2014). Inductive research approach is usually based on the following sequence; observation of the phenomena under investigation, search for patterns or themes from this observation and lastly developing a generalisation based on these patterns and themes (Lodico, Spaulding & Voegtle, 2010). The inductive research approach has been used since no hypothesis has been formulated; research is rather conducted based on the interviews and observing attitudes towards personalisation and privacy issues, leading to patterns and themes amongst the respondents. Furthermore, throughout the process the researchers have referred to both data and theory which also has its ground in the inductive approach (Bryman & Bell, 2011).
3.3 Research philosophy

The philosophical standpoint best suited for this particular study would be that of the interpretivist. The idea behind interpretivism, is an advocacy of the necessity research to acknowledge humans can differ in their roles as ‘social actors’. What we mean by this, is individuals interpret and associate their own meaning to certain social situations, and themselves as social actors, much in the same way as an actor may interpret a given role in a play (Saunders et al., 2009). This research stems from the interpretivism standpoint, from an epistemology stance, whilst also stemming from the subjectivism, or social subjectivism, standpoint that is ontology. Social subjectivism follows the interpretivism meaning that it is necessary to explore the subjective meanings motivating the actions of social actors in order for the researcher to be able to understand these actions (Saunders et al., 2009). The researchers believe this is the best philosophical standpoint suited to the study due to the fact that the interest lies in looking for differences in attitudes based on the differences of individuals (Saunders et al., 2009). Based on the interpretivist and social subjectivist standpoint from epistemology and ontology, it reflected on the researcher’s choice of respondents for the interviews as demographics differed amongst the interviewees. Depending on age, gender and ones’ knowledge in technology, our roles as social actors are different. All individuals possess characteristics that differentiate them from others, which is what we have kept in mind when conducting this research.

In addition to interpretivism, there is the philosophy of positivism which means seeking to uncover statistically proven results to be identified in other subjects and furthermore be considered as standard patterns. In comparison, the interpretivist sees every result as unique and seeks to uncover the conscious and unconscious explanations people have for what they do or believe (Lin, 1998).

3.4 Method

The appropriate method chosen for the purpose of this research was the qualitative research method. Qualitative research methods emphasise words rather than employing measurements (Bryman & Bell, 2011). In order to understand the attitudes consumers have towards the growth in advertisement aimed specifically at them, the choice of qualitative method would allow the participants to contribute with elaborated responses. Qualitative research design is
best suited when the aim is to understand the behaviour of people and how they visualize the world they live in (Hartman, 2004). The primary data will be gathered through interviews, which hold the advantage of being flexible due to a more open interaction with the respondent. The main idea behind using interviews is to have an interaction with the respondent in order to get more detailed information about their experiences and thus understand their reality. Creswell (2013) indicates that there are different approaches for qualitative research that is the most appropriate one for your specific study. In the case of this research, the phenomenological approach is the most suitable one, with a definition of capturing participants’ experiences and examine how they make sense of those experiences (Creswell, 2013).

### 3.5 Choice of respondents

The individuals who participated in the interviews were selected through judgemental sampling (Marshall, 1996), since the interviewees had to possess certain characteristics in order to contribute with relevant answers for the purpose of the study. Judgemental sampling is a method of selecting individuals for research purposes by selecting the most productive sample to answer the research questions (Marshall, 1996). Additionally, the method of snowballing was used in those cases where the researchers did not obtain enough acquaintances in order to collect a broad range of age and gender. Snowballing sampling is a form of convenience sampling where the researcher makes initial contact with, for instance, acquaintances and later uses these individuals to get in contact with additional respondents (Bryman & Bell, 2011).

Since the judgemental sampling method was used to select a sample, the respondents were asked in advance if they engage in online shopping and on a regular basis browse the Internet. As judgemental sampling is a form of non-probability sampling, the researchers want to emphasize that it does not represent the entire population and cannot be generalised. Furthermore, as respondents are chosen based on certain criteria and information from specific individual characteristics are of interest, non-probability sampling is the best option.

### 3.6 Semi-structured interviews

Furthermore, there are different structures of interviews to be used depending on the outcome desired. Structured, semi-structured and unstructured interviews depending on the extent to
which the researcher has outlined exact questions to be asked. For this research, the semi-
structured interviews have been chosen with an outline of questions prepared, but with room
for the respondent to speak freely (Brinkmann & Kvale, 2009). The prior prepared questions
are based on the interests and topics of the researchers to steer the interview in the desired
direction but allows leave room for spontaneous descriptions and narratives (Figgou &
Pavlopoulos, 2015).

At the start of the interview, the researchers provided the interviewees with a short
introduction of the purpose of the study in order to prepare the respondent. Following this, the
interviewee was asked to introduce him/herself to get an understanding of the individual’s
background as well as to ease into the questioning of the three sections. The interview ended
with scenarios which would work as examples of personalised advertising strategies the
interviewees might have encountered in order to get a practical understanding of the research
topic. Seven scenarios were provided (see Section 6 of Appendix 3) with examples from
different online platforms such as, social media, via mail or other websites such as online
magazines (Aftonbladet.se). These scenarios were introduced to the interviewees with the aid
of a PowerPoint toward the end of the interview session, before finally ending with reflections
and general thoughts on the scenarios provided, and the believed affect it could have on the
interviewees behaviour.

3.7 Data collection

The ambition of the semi-structured interviews was to gather data from a number of
respondents that was believed to provide the researchers with sufficient information to
understand how consumers respond to privacy issues in relation to personalised advertisement
and how it affects their purchasing behaviour online. Since the researchers are interested in
the difference between age, gender and the use and knowledge of the Internet, the criteria for
selecting interviewees are not that many but still important. The main criteria for selecting
participants is that the respondent must be a Swedish resident in Jönköping for a time period
of more than six months. Another criterion was that the participants spend time on the web
and engage in online shopping where they can be affected by personalised advertisement in
order to develop an opinion about it.

By having respondents of different ages, and in turn from different generations, it meant the
individuals had different knowledge about technology as not all grew up with the
phenomenon in the same way. Furthermore, by growing up with technology in different ways it may contribute to diverse attitudes towards personalisation as accompanied by the invention of the Internet and technology.

The number of interviewees added up to 12 individuals, all in different ages with an age range between 17 and 49, and an equal representation of the male and female gender. The interviews lasted between 15-30 minutes, all depending on how elaborated answers the interviewee had to provide. The interviewees were all citizens of Jönköping, Sweden with some being students either on a high school level or university level, and others working in different industries. Due to the difference in ages, education and work industry, the interviewees possessed different understandings of technology which was one of the criterion the researchers strived for in their respondents. All interviews were conducted in person with one out of the three researchers, in a quiet and undisturbed environment such as group rooms at the home university of the researchers. All interviewees were asked to comply with being recorded, which all did except one. However, this particular interview was still conducted in person with the interviewer and instead of being recorded, the interviewer took extensive notes of the answers. All participants were also asked if they were comfortable with conducting the interview in English. If not, the researchers would simply do the interview in Swedish and afterwards make a summary in English. Since the researchers decided to keep the identity of the participants of the study anonymous, pseudonyms have been applied to avoid confusion when reading. Interviewees had been asked the same set of questions with possibility to elaborate and develop their own direction. The interview guide is presented in Appendix 2.

### 3.8 Data analysis

Bryman and Bell (2011) suggest that when conducting any kind of research, it is important not only to create a clear and understandable survey or interview, but also to analyse the data. The purpose of analysing data is to find patterns and make sense of the information gathered while connecting it to relevant concepts and theories (Bryman & Bell, 2011). The authors further discuss two strategies of analysis that are the leading approaches used for analysing qualitative data, analytic induction and grounded theory. Beginning with analytic induction, it is a strategy which requires the researchers to formulate hypotheses and beliefs of what the outcome of the study will result in, and further base their research on examination of cases.
However, since this research does not consist of a hypothesis and is rather interested in the two-way relationship between data collection and analysis, the grounded theory is more suitable as a strategy. Grounded theory consists of various tools researchers use for analysing data which all represent the researchers process of analysing the interviews conducted (Bryman & Bell, 2011). Qualitative research is not only interested in what is said, but also the way it is said. Therefore, the interviews were transcribed and analysed by comparing answers and finding similarities by listening to and making notes on the way the interviewees expressed themselves. By using the grounded theory in order to analyse the primary information gathered, categories and themes were found through coding of the interviews. As a result of the grounded theory to analyse the primary data gathered, the following themes based on similarities in opinions and attitudes expressed by the interviewees were found: Interest and preference, exchange of benefits, convenience, fear of coming out, overload of information, acceptance, well-established websites, easy access to information and consumer behavioural patterns. These patterns and themes will be further discussed in chapter 4, empirical data and analysis.

3.9 Quality of research method

According to Bryman and Bell (2011), it is argued that reliability and validity can be problematic to apply to qualitative studies as these are derived for quantitative research. Some authors, such as Kirk and Miller (as cited in Bryman & Bell, 2011), suggest that reliability and validity can be incorporated into qualitative studies with a slight alteration of the concepts to be more suitable. Lincoln and Guba (as cited in Bryman & Bell, 2011), does however propose alternative terms in order to assess qualitative research, which is trustworthiness with four parallel aspects with the quantitative research criteria. These four aspects are credibility, transferability, dependability and confirmability.

Credibility relates to how believable the findings are (Bryman & Bell, 2011). In our research we conducted 12 interviews to get a good understanding of the respondents, as well as a wide range of opinions as possible. As the interviews were recorded and transcribed, it also increases the credibility as well as applying to dependability which is concerned with whether the findings are likely to apply at other times or not (Bryman & Bell, 2011). In relation to transferability, answering the question if the findings apply to other contexts (Bryman & Bell, 2011), we would like to bring to attention that our findings are not representative for the
entire population of Sweden. Instead, the findings presented are a snapshot at the point in time of the research conducted. Confirmability concerns whether or not the researchers have allowed their own values to intrude to a high degree (Bryman & Bell, 2011). By being aware of the possibility that our own values concerning the subject might come to light, we have recorded and transcribed our interviews to be able to look back and ensure that our primary data is based on opinions independently expressed by our respondents.
4. Empirical findings and analysis

In the following chapter we will present our empirical findings from 12 semi-structured interviews and an analysis based on the theoretical foundation presented in chapter 2. The most essential findings will be introduced, and the chapter will begin with background information to aid the reader in understanding our informants. The empirical data will be presented through different themes.

4.1 Research background

We have interviewed 12 individuals, with an equal representation of the two genders, male and female, between the age of 17 and 49 who use the Internet on a daily basis. The participants were students of different levels and employees in different industries, who spend time on the web and engage in online shopping where they can be affected by personalised advertisement in order to develop an opinion about it. All of the respondents have purchased online several times per year and have further been affected by personalised advertisement online. For the purpose of the analysis, the grounded theory has been used. The entire process of grounded theory, as presented by Bryman and Bell (2012) consists of 12 steps. The focus has been on coding, constant comparison and saturate categories. With these three steps applied, common themes have been discovered as shown in the following section (Bryman & Bell, 2012).

4.2 Interest and preferences

The concept of personalised advertising refers to the customised flow of communication that sends different recipients promotional messages tailored to their individual preferences by storing personal data such as demographics, psychographic or purchase history (White et al., 2007). An essential finding from the interviews is that personalised advertising is highly appreciated and evokes strong positive feelings when receiving offers related to the consumers interests and preferences. According to a study conducted by Janrain (2013), 74% of online buyers are unsatisfied when advertisement is not related to their interests or preferences. This was supported by many respondents as they express gratitude towards advertisement related to their interest and preferences. Frida is one of the interviewees who highlighted this important aspect by saying the following:
“Concerning for example travelling webpages, I do like it, because they know what I'm interested in, and specially, since my passion is traveling, I do know I'm looking for - want to travel to different destinations - and for them to remember who I am, so I don't have to plug it in again my device, like my personal information again over and over.”

- Frida

Franke, Keinz and Steger (2009) indicate that personal offers can provide a high fit together with the customers preferences and increase the purchase intention. In addition, Josefin agrees with Frida and describes her appreciation of personalised promotions with the following statement:

“But I think it’s positive if it is from a site like ASOS or JD sports that they have got new clothes or new shoes then it’s interesting to look at because like “oh they have pretty new shoes and new clothes”.

- Josefin

Furthermore, many interviewees declared that they favoured customised advertisement when they received something in exchange, for instance, discounts and special offers from favourable brands. If the personalised promotion is related to their interests and preferences, and comes with a discount or special offer, they are more likely to have a positive attitude which can increase the purchase intention. Sara, one of the interviewees, explains with a cheerful facial expression that she is pleased with personalised promotion when receiving a discount:

“You know that it’s their way to get more sales and more profit, buy personally, it’s always good when you get an offer than just the original price. So, I’m happy about it.”

- Sara

Fill (2009) argues that personalised emails can provide a high degree of personalisation. To receive a personalised email with a discount voucher on a special day is appreciated by Sara. As agreed by the other interviewees, one can feel unique and noticed when receiving
personalised offers related to the consumers interest and preferences. Sara recalls cheerfully the latest occasion when she received a voucher from one of the brands she favours:

“I am a member of Nelly and last month was my name day and I got a discount, and last week was my birthday so I also got a discount, an additional member point.”

- Sara

It is challenging for companies to always send out tailored messages in relation to the customers interests and preferences, and they might fail at times and violate the consumer's privacy. Although customised promotions were appreciated by the interviewees, Erik argues that personalised promotion does not work on him as a marketing campaign. He further explains that he is not comfortable having information stored about him that he has not agreed upon and says: “I don’t like to put my email address on anything, just so they can send out emails that you don’t want to see.”. This can be supported by White et al. (2007), who state that personalised advertisement can be an effective tool, but it can also be harmful for the company and endanger the existing or potential consumer relationships.

4.3 Convenience

Throughout the interviews, we have investigated how consumers respond to shopping online in connection to privacy and personalised advertising. Hampus opens this topic up by stating:

“Shopping online is convenient but depends on what are you buying. You do not have to go anywhere, and it is easier to compare between different sites.”

- Hampus

We discovered that convenience and efficiency were some of the common themes shared by the majority of the interviewees. The World Wide Web has made it possible for customers to purchase goods and services online anytime and anywhere (Close, 2012). One of the interviewees, Amanda, explains that she can purchase products online which makes it possible for consumers from smaller cities to discover outside fashion trends. Sara further points out the time-efficiency and comfortability of online shopping by saying:
“It’s convenient, it’s fast but I can also take my own time, I don’t have to go to the cashier and pay directly, I can have it in the check-out basket for a while and make my decision in my own pace. It’s good, because it’s more often delivered to my door, it’s good so I don’t need to move. And I don’t have to pay until I see the products usually either, which is really nice, and if I do pay beforehand, I still get my money back if I would return it back.”

- Sara

Furthermore, Axel is a regular shopper for computer games, which he exclusively buys online through platforms such as Steam. He adds that it is easier and more convenient for him to buy online than go to the store, and additionally he can play the games right away after downloading. He also orders online when some of his relatives have their birthday because then he knows exactly what he wants to buy. However, for non-digital products, he prefers to purchase from a physical store except birthday gifts.

Based on the conducted interviews, it has been discovered that privacy issues related to personalised advertising have no direct impact on the consumers behaviour online. Privacy issues online is not the reason for consumer to desist shopping online, rather the impossibility of touching, seeing or trying the product, not receiving it immediately and lack of sustainability. Although Hannah and Lybecker (2010) have noticed that customers' purchasing behaviour can vary due to various range of characteristics such as age, income, education, demographic and ethnicity, we have not identified any difference between these characteristics among our respondents.

4.4 Creepiness

“To be honest, I mean I am a millennial, but I still think it is a little creepy that they actually know my consumer behaviour and what products I might be interested in. For example, if I just plug it in at Amazon, they most likely know which books I want to read, which is OK by me. And also, it enriches, to some extent, my buying behaviour. But on the other side, it really has a lot of information on myself, so I think that's a little bit creepy. But I do like it when they show me new offers, I am really interested in actually, so for
example, I went to Instagram the other time and I found the best product I could possibly think of and I have actually purchased it.”

- Frida

Many of the respondents highlighted personalised advertising as creepy. Although Frida considers herself as a millennial, she argues that it is creepy when companies know her consumer behaviour and what products she might be interested in. Amanda further points out that tailored promotion can be good if it is for something she needs. However, she also mentions: “But I don’t really like the new thing, that people are talking about, if I go outside a store, and they can feel it on my GPS, after I passed it, I can get a text about it”. When we asked about how the respondents feel about banners advertisement directly asking the consumer for a purchase, Hampus, tells us about how he felt watched by saying the following:

“If it is the exact same product that I searched for in the past, I would find it a bit creepy, like I am watched. I would not click on it, I would not be encouraged to engage with the add.”

- Hampus

Additionally, Johan is highlighting another important aspect. He states that if you are leaving personal information, you should be prepared that the online store will collect and store the data. Van Doorn and Hoekstra (2013) explain these two contrasting views by illustrating that customers can have a positive attitude towards customised advertising as it is personalised and tailored to the customers preferences; however, there are also customers who feel a violation of their privacy and it can negatively influence their purchase decision (van Doorn & Hoekstra, 2013). Erik uses precaution by avoiding giving out his email address to the company for any customised promotions, and therefore prevent himself from experiencing the creepiness that might be a result of personalised advertisement. He expressed himself in the following way:

“I don’t like corporate organisations having that much information about me and analysing my online habits. I don’t know where that information goes or used for, how accessible it is for other people, and now it’s impossible to not accept them.”

- Erik
4.5 Fear of coming out

Although many of the interviewees accept the fact that information has to be provided in order to purchase online, there is still some personal data that individuals are worried about being used for the wrong purpose. Definitions of privacy state that the decision of sharing personal information should be completely up to the individual (Westin, 1967; Bélanger et al., 2002), which it is, but not without concerns of misuse. Five out of twelve interviewees are mostly concerned with their social security number coming out and being misused, especially the last four digits of their social security number. Axel mentions that, by his social security number being used fraudulently, someone could actually act like him and be him for a moment, which scares him. Four out of twelve interviewees mentioned their bank details as the most worrying information being used for the wrong purpose. Amanda highlights her social security number and bank details as she expressed concerns about both of these being what she worries about the most. On the other hand, in Sweden, your personal details, such as date of birth and address, are easily accessible. This is supported by Sara:

“Anyone with basic knowledge of technology would know that. I would say, that my phone number can always be changed, my name is already out on social media, I would say that the four last digits of my personal number would be the one I would care most about.”

- Sara

The remaining four interviewees, who did not state their social security number or bank details as the most private information, had different responses. To the question concerning what information interviewees are worried about the most, Kevin answers that he is simply not that sceptical about privacy online and trusts his common sense. For example, if things simply look like they are too good to be true, or if it is a new company, then he would probably not disclose his personal information on these sites. Johan does not express any concern at all concerning information being misused, in the worst-case scenario, he simply comments with: “What could you do? Notify the police.”. Continuing with Hampus, he answered that he feels like he does not possess enough knowledge about the issue and is therefore not really sure what information he is most worried about. Finally, Frida discusses the matter by considering what it is she is buying. She explains this by saying:
“I am not the one who goes online to shop for porn or anything like that, mainly I just buy the books online, but if it would be something more personal, I would not like it that much for people to actually know my customer profile.”

- Frida

In relation to Hong and Thong’s (2013) study based on six dimensions that refers to fears an individual might experience when engaging in online activities related to privacy concerns, some of these fall into the fears discussed by the interviewees. Control is one of the dimensions, which is about an individual being concerned about not having control over their own personal information. The interviewees have expressed concerns regarding personal information, such as their social security number and bank details, and how they are afraid of losing control over this information as others can use this against them.

Another fear is the dimension of collection, which is defined as to what degree individuals worry about specific data being possessed by websites. All of the interviewees express concern over providing personal information when shopping online on some level. However, it appears the interviewees are not concerned with this to such an extent that they would stop shopping online.

### 4.6 Overload of information

Another finding is that some of the respondents discover personalised advertising as excessive which might lead to an annoyance as well as an ignorance. Helena explained that when banner advertisement shows up every time she is online, for instance, on Aftonbladet, she gets annoyed by the fact that the advertisement simply follows her everywhere. According to Cho and Cheon (2004), avoidance of banner advertisement can be a result of an advertisement clutter. Helena also adds that a consumer can search for specific products or services if they are interested in buying, instead of looking at the advertisement. She expressed herself in the following way:

“I think it will be too hard, it will be too much. Lots of many different ads that pop up in one, and it can get a little too diligent and too hard to want to self, then you go in search when you need it.”
Similarly, Hampus declares that he deletes the received customised promotions immediately and never looks at them because of the overload of information. He is supported by Erik, who indicates that he is not a club member of any store for the reason that he does not like others using his personal information for excessive promotional messages. This corresponds with van Doorn and Hoekstra (2013) who indicate that consumers can perceive greater intrusiveness when receiving personalised advertising. Two of the interviewees have installed a special ad-blocking extension to their web browsers, called AdBlock, in order to avoid excessive advertising information. Sofia argues that without the use of AdBlock, her privacy is violated and says the following: “Because I feel like they know everything I do, and I feel stalked.”. This is stated by Josefin who declares:

“I use AdBlock so I don’t really get much of those advertisements but when I do, I have to deal with it but sometimes it’s annoying.”

- Josefin

Installing AdBlock may be seen as another form of “banner blindness”, which is described by Benway (1999) as avoidance of looking at anything that might look like banner advertising. By simply disabling it via AdBlocker, Sofia and Josefín are not seeing any banners.

Kevin says that personalised advertising such as banners and pop-ups does not grab his attention at all, he simply immediately closes the pop-up. He describes that the first thing that comes to his mind is the following: “oh, pop-up, close it down, don't even look at it”. Frida further explains that she doesn't appreciate banners and pop-ups, due to the fact that the main reason why she visited a webpage gets lost in the clutter of advertisement. She states the following:

“(...) I just click the cross sign straight away, so it will disappear, and I would never really consider looking at this kind of commercial, because I do not think it is a nice style of presenting yourself. I am highly annoyed by it.”

- Frida
Both Frida's and Kevin's behaviour strongly resonates with the findings by Bahr and Ford (2011), who argue that it does not matter what the pop-ups look like, users will still find them highly annoying and close it immediately. McCoy et al. (2007) also point out that pop-ups are even more intrusive than normal banner advertisement and lower the revisit intentions.

### 4.7 Acceptance

The majority of the interviewees are fine with leaving their personal information online. However, not without any concern for misuse of that information. When asked how they feel about giving out their personal information, the interviewees highlighted acceptance.

Individuals who want to engage in online shopping simply have to accept the fact that they have to provide their personal information in order to purchase the product or service. This corresponds with Lee and Cranage (2011), who also found personalisation online in exchange for additional services useful, especially when assured about privacy and personalisation usage. Kevin, one of the interviewees, explains that he must accept cookies as sometimes it blocks his view. By doing so, he also gives access to the web browser to track his actions. He responded with the following: “Sometimes, I accept it, because it is sort of blocking my view of what I want to see, so I would be like accept whatever, I don't really care about it.” This is supported by Amanda who states:

> “I just think that I need to accept the situation. As a consumer or customer, you don’t really have the choice, if you want to buy a product, if not it’s not a problem.”

- Amanda

Helena continues along the same line as Amanda by saying that she would rather not leave out her personal information. It feels a bit uncomfortable for her, but she is aware of the fact that doing so is necessary in order to purchase online. Sara declares that she is used to customised advertising and has accepted the fact that it will be there. Furthermore, when asked about the choice to provide personal information when shopping online, Sara answered that if the choice was completely up to her, she would choose to be anonymous. However, she continues by arguing that she has trust in well-established sites she shops from and therefore gives them the benefit of the doubt.
Of all twelve interviewees, Erik was the only one who simply did not accept the fact that online shops require individual’s personal information in order to make a purchase. He continues by saying that he does not like it and feels like his personal information is none of the online shops business. Moreover, many of the interviewees talk about trust as a reason to why they do not have any great issues with online stores requiring personal information, and the trust they have in well-established and well-known web sites.

Another reason to why our interviewees express acceptance to providing personal information is because of Sweden itself as a country. The younger generation of our respondents, Amir, Axel and Josefin, all with the ages of 17, do not mind the fact that online stores store personal information about them. Josefin simply says that the fear of her information being misused is in the back of her mind, but it is also something she does not put a lot of thought into. Axel however states that he is familiar with the laws of Sweden and how well it protects its citizens from being victims of misused personal information. He says: “I’m not that worried about misuse of information because of my knowledge of Swedish law (...)” Amir also use Sweden as an argument to why he does not have that many issues with online stores storing personal information about him. The main factor is that all information about him is already easily accessible, and he is well aware of this.

“I’m not that worried about misuse of information because of my knowledge of Swedish law (…)”

- Axel

Following along the lines of Sweden and how the country itself affects people’s opinions towards privacy on the Internet, some of the interviewees mention that there is easy access to individual’s personal information through various means. Sara mentions the Swedish site upplysning.se and continues by saying that an individual can easily search for another person’s address and get all the information needed. Kevin further describes this by explaining the following:

“(…) my name, my date of birth, my email, I don't really care, it's sort of, you can find that information from other places as well. So, it's not like it's like a top secret. And here within Sweden, you can even find people's addresses. So, if somebody really want to track me, they have other ways to do it.”
4.8 Well-established websites

Ten of the interviewees experience differences in purchasing from a well-established website with a well-known brand, compared to a website that they are not familiar with at all. Helena says that she is more comfortable with giving information to an online shop that she is more familiar with based on previous purchasing experience with the site. As long as the online shopping is conducted from a strong brand, Kevin does not experience any difference in purchasing from a site he occasionally or usually purchases from. The following quote provided by Sara shows how the majority of the interviewees reasoned when asked if they experience any difference in purchasing from a site they are familiar with compared to a site they only occasionally purchase from:

“I know that websites have been established for so long now and there is always risk with handing out your own information, there is, but there are so well-established today that I have trust in them and that they can do whatever they need to do. But usually I don't make a purchase at newly become websites, I want to order from well-established websites.”

- Sara

The commonly shared answer to this question was that well-established sites are much more trustworthy. Kevin argues that even though he conducts a purchase from a site he very rarely purchases from, he does not experience any difference as long as the brand itself is well-known and at the same level of competitiveness with the sites and brands he usually purchases from. Josefin and Frida both agree that they have their specific sites they are familiar; these are trustworthy to them and therefore a purchase from a new site creates more suspicion and hesitation. Fill (2009) talks about personalised advertisement being a sensitive area which can be harmful for the company’s brand as it requires a great amount of personal information being gathered. This can be connected to what has already been mentioned about well-established websites as those companies who do not understand what limits to put on personalised information risk to lose customers as it may not be perceived as privacy friendly.

However, there are those interviewees that do not experience any difference in online shopping depending on the site at all, but with different reasons for it. Erik states that no
matter which site he is purchasing from, he still does not like the fact that online shops have to store his personal information. Hampus, on the other hand, sees no difference because he believes companies do simply not have a reason to misuse his information as it is mostly used for delivery. Therefore, he experiences no difference between well-known sites and new sites.

In relation to Son and Kim’s (2008) study on information privacy-protective responses, the interviewees follow the action of information provision. As discussed in an earlier chapter, information provision is based on consumers either refusing to provide information, or providing falsified information. As trust in relation to well-established websites and well-known brands has been discussed by the interviewees, it has also become clear that when the interviewee stumbles upon an unknown website, he or she would choose not to give out their personal information in order to avoid misuse of personal information. Kevin provided an answer related to this topic, describing how he would react when it comes to an unknown website to him:

“If you are smart, like some things, if it seems too good to be true, or it can be like new companies, or by the subscription box every month, I think I would probably do not do that (provide personal information).”

- Kevin

4.9 Consumer behavioural pattern

Two main behavioural patterns have been discovered, as presented in the table (See Appendix 4). Some of the respondents follow more than one pattern, depending on the type of purchasing situation they are facing. Due to that, each pattern is numbered. However, the patterns that are used by more than one consumer are further connected to utilitarianism (pattern A) and hedonism (pattern B) behavioural theories.

The first pattern, labelled as A, “Go directly to the webpage where I purchased before → purchase”, is shared by seven respondents. Hampus applies this pattern while repurchasing. He says the following:

“If I shop for something that I have already been satisfied with before, I usually go directly to the same site and buy it there”

- Hampus
The same applies to Kevin, who prefers to fly with Norwegian and therefore when in need to fly, immediately checks their offerings. Beside buying computer games, Axel also regularly purchases gifts for family members online and usually repurchase from familiar brand or store. On the other hand, Frida is using a slightly modified pattern. She describes her following shopping behaviour online with the following quote:

“My usual buying behaviour it's to go to the main web pages like Amazon. So, I will search first of all there, and then a plug it in into several other sites like eBay, but also check out the web pages where the product originally came from.”

- Frida

Only after searching extensively online, Frida feels confident and knowledgeable enough to purchase. Amanda also modifies behavioural pattern A and highlights being influenced by discount codes. For her, getting an email that states that she can get 40% off evokes curiosity and leads her towards checking the website, despite not having the need for the purchase. However, she will probably still buy some products, especially fitness or medicines related, since she might need them in the future and with a lower price than original. Josefin is also using behavioural pattern A with extended loyalty to one store as well as being keen on recommendations from her friends.

The second most common pattern, labelled as B, is: “Search online → visit desired page → purchase”. Kevin takes this route while shopping online for unknown destinations, as explained with the following statement:

“I would say that maybe for locations that I do not travel often to, I might search around and see the best deal (...). Maybe, if it is a new place, I might search to see what would be cheaper, go to different websites, and then make a decision based on that.”

- Kevin

Sofia adds an additional element of reading company’s reviews online while searching, which influences her attitude towards potential purchases on a new website; while Erik checks the reviews when searching for presents for his family and friends, when he is unsure of the best
thing to purchase. For Josefin, this route is taken simply out of boredom when she is window-shopping online, and something might catch her attention.

Based on the outcomes from the interviews, shopping pattern A can be connected to utilitarian shopping personality. As Scarpi (2012) pointed out, these kinds of shoppers are rational and task-related, and their shopping experience is governed by efficiency and rationality. The shoppers straightforwardly go where they have been before, sometimes influenced by previous experience and trust to the website, but in most of the cases out of convenience and simplicity of the task. Scarpi (2012) also points out that if a consumer perceives convenience from the online store, he/she might come back. This corresponds with the responses by five interviewees. Only when these requirements are fulfilled, consumers feel secure enough to purchase a desired product or service. Shoppers are in most cases more price-conscious and want to save money. Therefore, they know which website to visit directly for the best deal.

In contrast, shopping pattern B reflects more upon the hedonism behavioural type. Scarpi (2012) explained it as pleasurable and a more festive type of shopping. Shoppers are more curious, searching around, and in some of the cases even using it to escape boredom. Her research further mentions that hedonism patterns leads to more word of mouth. This can be connected to Sofia and Erik's behaviour as they are checking the company’s reviews online, which can influence their purchasing decision. Moreover, Scarpi (2012) considers hedonic shoppers as more recreational, shoppers that simply brows, and might purchase afterwards. We have also noticed that five of the respondents have a hedonic shopping behaviour.

Overall, it has been discovered that some of the respondents demonstrate both patterns but might slightly modify them. Their pattern-choosing decision depends on the type of product or service, the intentions and the experienced privacy when engaging in online activities of a certain website, rather than the personalised advertisement. If they trusted the page previously and have not encountered any issues, they tend to repurchase. Therefore, they choose pattern A, and do so directly. If they had issues, or are looking for something new, they usually check reviews, which in most of the cases adds an extra layer of trustworthiness and they apply pattern B.
5. Discussion

In this section, we will connect the critical aspects of our empirical findings to our formulated research question and problematization. The frame of references will be addressed together with the empirical findings in order to show the contribution of our study to previous research. Moreover, managerial implications, future research and limitations will also be presented.

The main intention of this study was to discover how consumers online react to personalised advertisement and privacy issues, and how it further contributes to their behaviour in an online environment. Throughout, privacy issues have been discussed and personalised advertisement is becoming more and more popular. It is therefore interesting to study what affects these two aspects have on the consumer attitudes and actions rather than only why consumers experience privacy issues.

Since the Internet gives companies’ permission to easily collect, store and share personal information (Bélanger et al., 2002), tailored promotional messages possess also a greater risk towards consumer privacy (Ham 2016). Previous research by van Doorn and Hoekstra (2013) looked at it from a consumer perspective and discussed whether personalised advertisement can be favourable as the relevance and fit of the advert can be considered greater.

Our research showed that the majority of interviewees accept leaving personal information online. The respondents imply that trust is the main denominator when deciding whether to disclose their personal information on the website or not. However, all of the interviewees are based in Sweden, and consider their country to already have ease of access to information. One can simply find phone numbers, date of birth, as well as addresses of anyone online. Based on our empirical findings, we have observed that privacy is not a main concern, although some issues are expressed. Therefore, it does not affect consumers to an extent where it changes their behaviour and decisions to purchase online. None of the interviewees expressed privacy issues online as a reason to switch to physical stores instead. Rather, they simply accept the fact that they have to leave their personal information online and risk it being misused. It seems like the benefits of online shopping are greater than the risks, especially in Sweden. This is in line with research from Janrain (2013), who claims that the majority of respondents are happy to provide their personal data on a website if it is used for the consumers benefit and in a responsible way. Another finding of ours connected to
disclosing information online is that individuals worry about losing control over their social security number and bank details. The only situation where individuals would refrain from providing personal information would be if the website would not be perceived as trustworthy, but this shows that it depends on the website itself and not only with online shopping in general.

Additionally, we also found that there is no significant difference between ages and knowledge/technological background, since all of the interviewed generations had learned to adapt to the changing shopping environment. Generally, the respondents perceive shopping online as a secure and positive experience, which is also more convenient and in some cases cheaper than traditional shopping. We can further see that online shopping has managed to reach out and target all different ages, and perhaps the benefits of online shopping have been so great that we could not see any major differences in how privacy is experienced between generations. In addition, this corresponds with claims by Lim et al. (2016), who see online shopping as a constantly growing activity.

Based on our interviews we found that many different opinions towards personalised advertisement exist. Each individual had different responses, although with similar themes existing throughout. Both positive and negative attitudes were apparent, depending on exactly what kind of personalised advertisement had been experienced. For instance, some of the interviewees saw customised advertising as creepy and intrusive, and that makes them worried about the overall effects of personalisation online. In particular, banner ads and pop-ups generated more negative attitudes as they are less controllable and more intrusive on consumer privacy. They were also perceived by our interviewees as the most irritating type of personalised advertisement, which corresponds with Möller and Eisend (2010), who saw Sweden as a country, which on a national level, does not highly appreciate banners. Research by Bahr and Ford (2011) and McCoy et al. (2007) also exposed irritation towards pop-ups, which was also seen throughout our interviews. Furthermore, it is mostly due to the fact that they are less controllable and more intrusive on consumers privacy. Because of the overload of these messages and overall advertisement clutter, consumers tend to ignore them. This is also highlighted by Cho and Cheon (2004). However, if banner ads and pop-ups would contain discounts related to the interests and preferences of the interviewees, attitudes would slightly change. Personalised emails, compared to banner ads and pop ups, generated more positive attitudes and evoked a lesser feeling of invasion on one's privacy as it is easier to control. If the personalised emails include discounts without the need for instant sign-up to
company’s newsletters, interviewees perceive them more favourably. Sutton's (2013) research corresponds with our findings and also claims that if the personalisation is done in a right way, consumers will be happy about it.

Furthermore, two behavioural patterns, hedonism and utilitarianism, are seen as the two main inclinations of consumer’s online purchasing behaviour (Wang et al., 2011; Bui & Kemp, 2013). Our research showed that one consumer can possess both patterns depending on the purchasing situation that he/she is facing. For instance, if the shopper immediately visits the page he/she purchased from before and are in most cases influenced by the previous positive shopping experience, he/she usually purchases the product directly there. This corresponds with the utilitarianism behavioural pattern, which Scarpi (2012) consider as a useful and convenient way of shopping online. On the other hand, in the scenario when the consumer is about to purchase online and then visits the desired website, hedonic shopping behaviour can be applied. The pattern selection depends on the type of product or service, the intentions and the experienced privacy when engaging in online activities of a certain website, rather than the personalised advertisement. Customers might also see privacy in some of the cases as yet another element influencing their online shopping behaviour. For instance, if they have not experienced any issues while purchasing at the online store for the first time, they tend to build trust and re-visit. If they feel insecure about the site, they rather start searching somewhere else and purchase from another more trustworthy website. No matter what behavioural pattern the consumer hold, the main importance always lay in finding a trustworthy site.

6. Conclusion

The purpose of this study was to discover how consumers online respond to privacy issues in relation to personalised advertisement online, and how it affects their purchasing behaviour. The researchers have not introduced definitive results which can be generalised across all Swedes in age, gender and technology knowledge categories, but have rather provided extensive and useful insights. Overall, shopping online is perceived as secure, convenient, easy and price-worthy. Despite the difference in age, gender and skilfulness in technology, these factors do not really affect the individual's perception of personalised advertising and privacy sufficiently enough for the consumer to stop shopping online.
Rather, it depends on the consumer’s intentions and emotions in relation to personalised advertisement. For instance, if a consumer receives customised promotions, such as discounts, it can enhance the positive feelings and attitudes that lead to a purchase. On the other hand, if the received tailored message does not enhance positive feelings, it might lead to a negative attitude based on an overload of personalised promotion. If trust is not built with the company, there is no purchase. In addition, the respondents have learned to ignore or delete certain promotions.

When it comes to privacy online, the individuals are concerned about their personal information being misused. Although all of the respondents raise concerns, the researchers can again notice that age, gender and the individuals’ technology expertise are not factors that lead to the consumer abstaining from online shopping. The only situation where individuals would refrain from providing personal information would be if the website is not perceived as trustworthy. In that case, this shows that it depends on the website itself and not on online shopping in general in connection to privacy.

To conclude, personalised advertisement can be seen as favourable, particularly when the communication is according to the consumers' preferences and interests. This can also be seen as a sensitive area as it may be intrusive and violate the consumer's privacy. Despite being concerned about their personal information or holding a negative attitude towards personalised advertisement, the respondents are not abstaining from shopping online. Nevertheless, the online store and its trustworthiness has an essential impact on the consumer’s decision and it is about finding the brands that the consumer favour, to develop a positive attitude towards customised promotions as well as decrease the privacy concerns. The attitudes towards privacy and personalisation all depend on the situation, as expressed by the interviewees, and if the benefits are perceived as greater than the privacy risks.

### 6.1 Managerial implications

As the purpose was to provide companies with insights of customers behaviours while shopping online, our research came across various themes that might be useful for companies. Firstly, understanding the wants and needs of consumers online is essential for a successful business online. In that sense, if companies are misusing the personal information of their customers and are overly intrusive with their advertising tactics, customers might perceive them as not being trustworthy and take their shopping elsewhere. Secondly, customers
remember both positive and negative shopping experiences quite well. With that said, e-commerce sites should strive to deliver the best experience first time around.

Finally, it has been discovered that advertising forms, such as banners and pop-ups, are predominantly perceived as intrusive, annoying and creepy. Our suggestion for companies is to avoid using these specific forms and instead focus on non-intrusive types of personalisation that keeps the consumer happy and eager to repurchase. We believe that our findings are relevant for e-commerce sites using personalised advertisement online and caring about privacy of their consumers, as this can increase customer loyalty and profit.

6.2 Limitations and future research

It is inevitable that limitations will exist within any research study. Despite the fact that we carefully prepared our study, we are fully aware of the unavoidable limitations and shortcomings of this research. First of all, as the focus has been on Swedish citizens living in Jönköping for more than six months, it may have limited the scope of the research. Therefore, to increase the validity, it could have been better to focus on more cities around Jönköping or alternatively larger cities around Sweden. Secondly, the interviews were conducted with individuals between the age of 17 and 49. By focusing on this age category, we excluded the consumers above the age of 49 and below 17, which has also limited our research. Thirdly, we conducted twelve interviews within two weeks. We believe this period of time is not enough and thus, the findings could have been larger if the period of time was longer.

While we consider our collection of primary data trustworthy, there does of course exist flaws and room for improvement. As the interviews were conducted separately by all three researchers, there is a drawback in not being able to pay enough attention to the body language of the interviewees. Furthermore, as some of the interviews were conducted in Swedish, and one of the researchers does not have Swedish as his mother tongue, the interviews had to be translated to English. As only a summary of the Swedish interviews were provided in English, there is the possibility that something might have escaped our knowledge or not been translated accordingly with the Swedish expression.

As semi-structured interviews were conducted, and room was left for additional questions throughout the interview, there is the possibility that leading questions may have been adapted. With too leading questions, it can potentially be that the interviewers gave the initial
idea of the answers to the respondents. Lastly, although we provided a short introduction of the research topic in order for the respondent to understand the study, the interviewees may still not have fully understood some of the concepts and questions. We are fully aware of these flaws within our interviews conducted, however, we do not perceive them as too great of a problem in the sense that they provide misleading results.

For future research, the researchers believe that the study could be more interesting if the interviews conducted were from different demographic range or focused on one specific demographic. Another possible angle could be to compare two different countries and analyse the cultural differences in privacy concerns, personalised advertisement and shopping online. Furthermore, it would also be intriguing to look at one industry or two and compare how consumers evaluate privacy and personalisation when buying online in these specific industries. These industries could, for example, be online clothes retailers or travel agencies. The study could also have been interesting if the focus was on a specific company or companies with an analysis of how the consumers are responding to privacy issues when buying from them.
Reference list


idUSKBN1GW07F


Appendices

Appendix 1: Framework of intrusiveness from customized advertisement

Source: van Doorn and Hoekstra (2013)
Appendix 2: Interview guide

Section 1: The information about our study

- Hello. Can we record the following interview?
- A brief introduction of the interviewer and the topic researched.
- For the purpose of this research, you will be anonymous. We just need your age and gender for better statistical data. Is it okay with you?

Section 2: About the interviewee

- Can you tell us a little bit about yourself?
- Your occupation?
- Your age?
- Your gender?
- Your interests?
- How many hours per day do you use the Internet?
- On a scale from one to five, how skilful with technology would you say you are?

Section 3: Shopping online

- What do you think about shopping online?
- How often do you shop online?
- What is important to you when you shop online?
- Please tell us about your behaviour when shopping online.
- What do you believe are the advantages/disadvantages from shopping online?
- What makes you return to the same online store and repurchase?

Section 4: Personalised advertisement

- What do you think about personalised advertising online?
- Are you a club member of any stores?
- Do you receive personalised offers online from them?
- Positive or negative, why?
• Do you usually use these offers?
• Are you connected to any social network, i.e. Facebook, Instagram, or Twitter?
• Have you paid attention to any personalised advertisements on these platforms?
• What are your attitudes towards it?

Section 5: Privacy

• How do you feel about sharing your personal information when you shop, i.e. name, phone number, social security number and more?
• What do you think about online shops storing personal data about you?
• Do you experience any difference in storing your information at an online shop that you usually buy from versus an online shop you occasionally shop from?
• How do you feel about your personal information provided online being misused?
• If you are worried about this, what kind of information do you worry about most and why?
Section 6: Scenarios

We will now present 7 different scenarios that are possible targeted advertising strategies a consumer may receive. By showing these scenarios, we would like to know how you feel in the different situations and why you feel so.

Scenario 1: Personalised email

- How do you feel about a company storing your birthday date and sends you an email with a voucher personalised for you?
Scenario 2: Banner ad

- How do you feel about banner ads?

Scenario 3: Banner ad (direct purchase button)

- How do you feel about banners ads directly asking you for a purchase?
Scenario 4: Website remembering personal data

- How do you feel about websites remembering what you searched for last time and your personal data after login in?

Scenario 5: Pop-ups

- How do you feel about pop-ups?
Scenario 6: Recommended products

- How do you feel about recommended products?

Scenario 7: Cookies

- How do you feel about cookies?
Section 7: Reflections

The provided scenarios are different strategies companies are using by collecting personal data of their customers in order to tailor the promotional messages.

- In general, what are your feelings about the provided scenarios?
- Are you comfortable with companies using your browsing behaviour for advertising?
- Do you believe that any scenario might be helpful in your decision to purchase online?
- Do you believe that any scenario misused your personal information which had a negative impact on your purchasing decision?
## Appendix 3: Interviewees

<table>
<thead>
<tr>
<th>Interviewees</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hampus</strong>, a 24-year-old male planner. Has bachelor’s degree and enjoys playing basketball and volleyball.</td>
<td></td>
</tr>
<tr>
<td><strong>Kevin</strong>, a 22-year-old male third year bachelor student. Likes airplanes, the weather and watches a lot of YouTube videos.</td>
<td></td>
</tr>
<tr>
<td><strong>Frida</strong>, a 21-year-old female second year bachelor student. Loves to travel and explore new cultures.</td>
<td></td>
</tr>
<tr>
<td><strong>Sofia</strong>, a 26-year-old female third year bachelor student. Enjoys travelling, meeting up friends, and taking a nap.</td>
<td></td>
</tr>
<tr>
<td><strong>Sara</strong>, a 23-year-old female third year bachelor student. Enjoys hanging out with friends and traveling all around the world.</td>
<td></td>
</tr>
<tr>
<td><strong>Erik</strong>, a 41-year-old male project manager. He has a college education and loves football, both playing and watching.</td>
<td></td>
</tr>
<tr>
<td><strong>Amanda</strong>, a 23-year-old female third year bachelor student. Works part-time in an insurance company and enjoys meeting up with friends.</td>
<td></td>
</tr>
<tr>
<td><strong>Johan</strong>, a 48-year-old male insurance seller. He is interested in hunting, fishing, and cars.</td>
<td></td>
</tr>
<tr>
<td><strong>Helena</strong>, a 49-year-old female real-estate and administration worker. She likes to spend time with her four kids.</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Gender</td>
</tr>
<tr>
<td>-----------</td>
<td>----------</td>
</tr>
<tr>
<td>Amir</td>
<td>Male</td>
</tr>
<tr>
<td>Josefin</td>
<td>Female</td>
</tr>
<tr>
<td>Axel</td>
<td>Male</td>
</tr>
</tbody>
</table>
### Appendix 4: Interviewees and their behavioural patterns

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Behavioural pattern(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hampus</strong></td>
<td>1. Go directly to the webpage where I purchased before → purchase (A)</td>
</tr>
<tr>
<td></td>
<td>2. Search online → visit desired webpage → purchase (B)</td>
</tr>
<tr>
<td><strong>Kevin</strong></td>
<td>1. Go directly to the webpage where I purchased before → purchase (A)</td>
</tr>
<tr>
<td></td>
<td>2. Search online → visit desired website → purchase (B)</td>
</tr>
<tr>
<td><strong>Frida</strong></td>
<td>1. Go to the known website → check other pages and compare prices → purchase (A modified)</td>
</tr>
<tr>
<td><strong>Sofia</strong></td>
<td>1. Search online → read reviews → visit desired webpage → purchase (B modified)</td>
</tr>
<tr>
<td><strong>Sara</strong></td>
<td>1. Search and browse online without the need to purchase (applicable for clothes purchases)</td>
</tr>
<tr>
<td></td>
<td>2. Search price comparison website → visit desired webpage → purchase (applicable for regular products; B modified)</td>
</tr>
<tr>
<td></td>
<td>3. Search and browse online → see something eye-catchy → impulsively purchase (applicable for impulse buying)</td>
</tr>
<tr>
<td><strong>Erik</strong></td>
<td>1. Go directly to the webpage where I purchased before → purchase (A)</td>
</tr>
<tr>
<td></td>
<td>2. Search online → visit desired website → purchase (B)</td>
</tr>
<tr>
<td>Name</td>
<td>Steps</td>
</tr>
<tr>
<td>--------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Amanda</td>
<td>1. Go directly to the webpage where I purchased before → purchase (A with an influence by discount codes)</td>
</tr>
<tr>
<td>Johan</td>
<td>1. Search price comparison website → check for discount codes → purchase</td>
</tr>
</tbody>
</table>
| Helena | 1. Go directly to the webpage where I purchased before → purchase (A)  
2. Search online → visit desired website → purchase (B) |
| Amir   | 1. Spontaneous search online → price comparison → purchase                                |
| Josefin| 1. Go directly to the webpage where I purchased before → purchase (A)  
2. Search online while bored → potentially purchase (B) |
| Axel   | 1. Go directly to the webpage where I purchased before → purchase (A)                     |